

ASSOCIATED PRESS
13 March 1987

CIA Analyst Who Spotted Fund Diversion Gets Reduced Job Load

J By MICHAEL J. SNIFFEN

A WASHINGTON (AP) — Charles Allen, the CIA analyst who apparently was the first to detect the possibility that Iranian arms payments were diverted to the Contra rebels, has been given a reduced workload, intelligence community sources say.

A Allen, deputy to Duane Clarridge at the CIA's counterterrorism center, as well as being a national intelligence officer for terrorism, is leaving the deputy's post, the sources said Thursday. The sources said the purpose was to give him a more manageable workload.

A CIA spokesman George Lauder said, "We never talk about the movements of national intelligence officers." But he added, "Allen has not been disciplined. There is no reason to discipline him. If there were any change, would not be because of any wrongdoing or suspicion of wrongdoing."

On Oct. 1 last year, Allen alerted his superiors to the possibility that payments from the sale of arms to Iran, being managed by National Security Council aide Oliver L. North, were being diverted to the Nicaraguan Contras by middlemen whom North was using in both the Iranian deal and a separate Contra-support operation.

Allen's alert came a month before the public disclosure of arms sales to Iran and nearly two months before Attorney General Edwin Meese publicly disclosed he had found evidence of diversion of Iranian payments to the Contras.

Testifying to the Tower commission, Allen said his training as an intelligence officer aroused his suspicions in October, because the same middlemen were involved in both operations, there were large overcharges for weapons sent to Iran and there were allegations that money was missing.

A Allen took his message to CIA Deputy Director Robert M. Gates and ultimately to CIA Director William J. Casey, who have said they had not previously heard of any such diversion.

Some members of Congress were critical of Gates and Casey for not mentioning Allen's suspicions in Casey's Nov. 21 testimony to Congress, but Gates has said they did not do so because they considered Allen's warning "flimsy speculation."

Gates said he and Casey instead passed the concern along to then-National Security adviser John M. Poindexter, who was North's supervisor in the White House.

The sources, who declined to be identified by name, said they did not know

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the job change came at Allen's suggestion or at someone else's. One source said the agency's congressional overseers were pleased to hear of the move and believed Allen would be delighted with a more reasonable workload.

Allen could not be reached for comment Thursday.

One source said, "Those were two full-time jobs, and they are both man-killers. This move means he got out from under a pile of work."

The national intelligence officer post Allen is keeping has far more independence than being deputy to Clarridge, who heads the counterterrorism center, this source said.

National intelligence officers are the principal advisers to the director of central intelligence in their areas of expertise. They also coordinate government-wide contributions to periodic, written national intelligence estimates assessing their areas.

CIA spokeswoman Kathy Pherson said the IA will not discuss the work of the counterterrorism center. However, it is believed to track daily developments in terrorism and monitor the possibility of actions to counter them.

The Tower commission report contains numerous references to Allen, who was kept apprised of developments about the shipment of U.S.-made weapons to Iran. Memos printed in the report include some written by Allen and others that refer to him.

For example, Allen had contact with Manucher Ghorbanifar, the Iranian arms merchant who was the middleman in the Iran arms sales.

On Feb. 20, 1986, Allen wrote that although Ghorbanifar "exaggerates and manufactures some of his information, he has excellent contacts with Iranian officials in Tehran."

"I believe we would be remiss unless we begin to work with subject (Ghorbanifar) and evaluate the potential of some of his associates."